

## **2013 DRAFTING REQUEST**

### **Bill**

Received: <b>10/9/2012</b>	Received By: <b>rchampag</b>
Wanted: <b>Today</b>	Same as LRB:
For: <b>Administration-Budget</b>	By/Representing: <b>Waterman</b>
May Contact:	Drafter: <b>rchampag</b>
Subject: <b>Employ Pub - employee benefits</b> <b>Employ Pub - retirement</b>	Addl. Drafters:
	Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to:

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#### **Pre Topic:**

DOA:.....Waterman, BB0156 -

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#### **Topic:**

WRS Break in Service and Rehired Annuitants

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#### **Instructions:**

See attached

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#### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rchampag 10/17/2012	kfollett 10/23/2012		_____			
/1	rchampag 12/28/2012		jfrantze 10/23/2012	_____	sbasford 10/23/2012		Retire
/2	rchampag 2/4/2013	kfollett 1/2/2013	jmurphy 1/2/2013	_____	mbarman 1/2/2013		Retire
/3		kfollett	jmurphy	_____	sbasford		Retire

Vers. Drafted

Reviewed  
2/4/2013

Typed  
2/4/2013

Proofed  
\_\_\_\_\_

Submitted  
2/4/2013

Jacketed

Required

FE Sent For:

<END>

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DOA:.....Waterman, BB0156 -

**Topic:**

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See attached

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/?	rchampag 10/17/2012	kfollett 10/23/2012		_____			
/1	rchampag 12/28/2012		jfrantze 10/23/2012	_____	sbasford 10/23/2012		Retire
/2		kfollett 1/2/2013	jmurphy 1/2/2013	_____	mbarman 1/2/2013		Retire

FE Sent For:

13/6/13  
2/4/13  
2/4/13  
**<END>**

**2013 DRAFTING REQUEST**

**Bill**

Received: **10/9/2012** Received By: **rchampag**  
Wanted: **Today** Companion to LRB:  
For: **Administration-Budget** By/Representing: **Waterman**  
May Contact: Drafter: **rchampag**  
Subject: **Employ Pub - employee benefits** Addl. Drafters:  
**Employ Pub - retirement** Extra Copies:

Submit via email: **YES**  
Requester's email:  
Carbon copy (CC) to:

**Pre Topic:**

DOA:.....Waterman, BB0156 -

**Topic:**

WRS Break in Service and Rehired Annuitants

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rchampag 10/17/2012	kfollett 10/23/2012					
/1		1/2 15f 1/2	10/23/2012		sbasford 10/23/2012		Retire

FE Sent For:

<END>

**2013 DRAFTING REQUEST**

**Bill**

Received: **10/9/2012**

Received By: **rchampag**

Wanted: **Soon**

Companion to LRB:

For: **Administration-Budget**

By/Representing: **Waterman**

May Contact:

Drafter: **rchampag**

Subject: **Employ Pub - employee benefits**  
**Employ Pub - retirement**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email:

Carbon copy (CC) to:

**Pre Topic:**

DOA:.....Waterman, BB0156 -

**Topic:**

WRS break ~~In~~ Service and Rehired Annuitants

**Instructions:**

See attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rchampag	11/5f 10/23	11/5f	RS 10/23			

FE Sent For:

<END>

## Champagne, Rick

---

**From:** Hanaman, Cathlene  
**Sent:** Monday, October 08, 2012 8:58 AM  
**To:** Champagne, Rick  
**Subject:** FW: Statutory Language Drafting Request

**From:** [mickie.waterman@wisconsin.gov](mailto:mickie.waterman@wisconsin.gov) [mailto:[mickie.waterman@wisconsin.gov](mailto:mickie.waterman@wisconsin.gov)]  
**Sent:** Friday, October 05, 2012 4:31 PM  
**To:** Hanaman, Cathlene  
**Cc:** Kraus, Jennifer - DOA; Waterman, Mickie D - DOA; Thornton, Scott - DOA  
**Subject:** Statutory Language Drafting Request

**Biennial Budget:** 2013-15

**DOA Tracking Code:** BB0156

**Topic:** Rehired Annuitants

**SBO Team:** GGCF

**SBO Analyst:** Waterman, Mickie D - DOA  
**Phone:** (608) 266-1072  
**E-mail:** [mickie.waterman@wisconsin.gov](mailto:mickie.waterman@wisconsin.gov)

**Agency Acronym:** ETF

**Agency Number:** 515

**Priority:** Medium

**Intent:**

Related to 2011 Assembly Bill 318 on rehired annuitants, please make the two below changes to statute. Neither should affect existing employees.

1. Increase the break in service requirement (currently 30 days minimum) to 6 months.
2. Apply all the same criteria to new hires as would be to rehired annuitants for inclusion in the WRS. This means if a rehire is working over 2/3rds of full-time, he or she would rejoin the WRS and the employer and employee would make contributions to the WRS. The annuity would stop in this case. Current law would apply to employees working less than 2/3 time.

**Attachments:** False

*Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)*



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRBs0334/1

RAC:cjs:rs

LRB-0251/1

RAC:Kf

ASSEMBLY SUBSTITUTE AMENDMENT 2,  
TO 2011 ASSEMBLY BILL 318

Do A Budget Draft

February 21, 2012 - Offered by Representative STROEBEL.

Don't Get

1 AN ACT ~~to amend~~ 40.22 (2) (a), 40.22 (2m) (intro.), 40.26 (1), 40.26 (2) (intro.),  
2 40.26 (2) (c) and 40.26 (5) (intro.); and ~~to create~~ 40.26 (1m) and 40.26 (2) (d) of  
3 the statutes; ~~relating to: post-retirement employment of annuitants under~~  
4 the Wisconsin Retirement System, participation status under the Wisconsin  
5 Retirement System, and granting rule-making authority. *the budget*

**Analysis by the Legislative Reference Bureau**

This substitute amendment makes all of the following changes with respect to the receipt of an annuity under the Wisconsin Retirement System (WRS), the termination of an annuity under certain conditions, and participation status under the WRS:

**Mandatory period of separation from covered employment**

Under current law, a WRS participant who has applied to receive a retirement annuity must wait at least 30 days between terminating covered employment with a WRS employer and returning to covered employment again as a participating employee. If the participant does not wait the 30-day period, and is rehired before the expiration of the 30-day period, the participant is not eligible to receive a WRS retirement annuity. The substitute amendment provides that the participant must remain separated from covered employment under the WRS for at least ~~30~~ *180* days in

This bill

Wisconsin Retirement System (WRS)

Retirement and Group Insurance

order to be an eligible rehired annuitant. ~~This provision first applies to a WRS participating employee who terminates covered employment under the WRS on the substitute amendment's effective date.~~

~~**Termination of annuity for rehired annuitants**~~

Currently, when a WRS participant terminates employment and receives an annuity he or she may return to covered employment and either terminate the annuity and again become a WRS participating employee or, instead, continue to receive the annuity, as well as wages from covered employment. If a participant does not terminate the annuity, the participant may not be a participating employee in the WRS and, in the case of state employment, is not eligible for group insurance benefits provided to participating employees, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status and is eligible for all group insurance benefits provided other participating employees, as well as is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

*bill*  
*two-thirds*  
The ~~substitute amendment~~ provides that if a WRS participant who is receiving an annuity, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position in covered employment in which he or she is expected to work at least ~~one-half~~ of what is considered full-time employment by the DETF, as determined by rule, the participant's annuity must be terminated and no annuity payment is payable until after the participant again terminates covered employment. ~~This provision first applies to a WRS participating employee who terminates covered employment under the WRS on the substitute amendment's effective date.~~

~~Under the substitute amendment, even though the participant again becomes a WRS participating employee after terminating his or her annuity, and becomes eligible to receive group insurance benefits provided to other participating employees, the participant may not accumulate additional years of creditable service under the WRS for the additional period of covered employment. Also, all WRS employee required contributions that are paid by the participant during the period in which the annuity was terminated, as well as any interest on those contributions, must be paid to the participant as a lump sum upon the reestablishment of the terminated annuity.~~

~~**Termination of annuity for annuitants providing employee services**~~

*bill*  
*bill's*  
The ~~substitute amendment~~ also provides that if a participant receiving a retirement annuity, or a disability annuitant who has attained his or her normal retirement date, enters into a contract to provide employee services with a participating employer after the ~~substitute amendment's effective date~~, and he or she is expected to work at least ~~one-half~~ of what is considered full-time employment by DETF, as determined by rule, the participant's retirement annuity must be terminated and no annuity payment is payable until after the participant no longer provides employee services under the contract. ~~This provision first applies to a WRS participating employee who terminates covered employment under the WRS on the substitute amendment's effective date.~~

*Two-thirds*



***Two-thirds employment requirement for participation in WRS***

Finally, 2011 Wisconsin Act 32 increased the number of hours that an employee must work in order to become a participating employee in the WRS, from one-third of what is considered full-time employment to two-thirds of what is considered full-time employment, as determined by DETF by rule. Under 2011 Wisconsin Act 32, this change in law did not apply to those employees who were first hired by a WRS employer before July 1, 2011, regardless of whether they were participating employees before that date. This substitute amendment provides that in order to be exempt from this change in law, employees must have been *participating employees* before July 1, 2011.

Because this substitute amendment relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1        **SECTION 1.** 40.22 (2) (a) of the statutes, as affected by 2011 Wisconsin Act 32,  
2        is amended to read:

3        40.22 (2) (a) Except as provided in sub. (2m), the employee was initially  
4        employed by a participating employer a participating employee before July 1, 2011,  
5        and is not expected to work at least one-third of what is considered full-time  
6        employment by the department, as determined by rule.

7        **SECTION 2.** 40.22 (2m) (intro.) of the statutes, as affected by 2011 Wisconsin Act  
8        32, is amended to read:

9        40.22 (2m) (intro.). An employee who was initially employed by a participating  
10       employer a participating employee before July 1, 2011, who is not expected to work  
11       at least one-third of what is considered full-time employment by the department,  
12       as determined by rule, and who is not otherwise excluded under sub. (2) from  
13       becoming a participating employee shall become a participating employee if he or she  
14       is subsequently employed by the state agency or other participating employer for  
15       either of the following periods:

✓

1        **SECTION 3.** 40.26 (1) of the statutes is amended to read:

2        40.26 (1) Except as provided in sub. (1m) and ss. 40.05 (2) (g) 2. and 40.23 (1)  
3        (am), if a participant receiving a retirement annuity, or a disability annuitant who  
4        has attained his or her normal retirement date, receives earnings that are subject  
5        to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified  
6        in s. 40.22 (2) (L), the annuity shall be terminated and no annuity payment shall be  
7        payable after the month in which the participant files with the department a written  
8        election to be included within the provisions of the Wisconsin retirement system as  
9        a participating employee.

✓

10       **SECTION 4.** 40.26 (1m) of the statutes is created to read:

11       40.26 (1m) (a) If a participant receiving a retirement annuity, or a disability  
12       annuitant who has attained his or her normal retirement date, is employed in a  
13       position in covered employment in which he or she is expected to work at least  
14       ~~one-half~~ <sup>two-thirds</sup> of what is considered full-time employment by the department, as  
15       determined by rule, the participant's annuity shall be terminated and no annuity  
16       payment shall be payable until after the participant terminates covered  
17       employment.

18       (b) If a participant receiving a retirement annuity, or a disability annuitant  
19       who has attained his or her normal retirement date, enters into a contract to provide  
20       employee services with a participating employer and he or she is expected to work  
21       at least ~~one-half~~ <sup>two-thirds</sup> of what is considered full-time employment by the department, as  
22       determined by rule, the participant's annuity shall be terminated and no annuity  
23       payment shall be payable until after the participant no longer provides employee  
24       services under the contract.

✓

25       **SECTION 5.** 40.26 (2) (intro.) of the statutes is amended to read:

✓

1           40.26 (2) (intro.) Upon termination of an annuity under sub. (1) or (1m), the  
2   retirement account of the participant whose annuity is so terminated shall be  
3   reestablished on the following basis:

4           **SECTION 6.** 40.26 (2) (c) of the statutes is amended to read:

5           40.26 (2) (c) Except as provided in pars. (a) ~~and (b)~~, and (d), the retirement  
6   account shall be reestablished as if the terminated annuity had never been effective,  
7   including crediting of interest and of any contributions made and creditable service  
8   earned during the period the annuity was in force.

9           **SECTION 7.** 40.26 (2) (d) of the statutes is created to read:

10          40.26 (2) (d) 1. Notwithstanding s. 40.02 (17) and (33), a participant who  
11   terminates an annuity under sub. (1m) may not receive any creditable service during  
12   the period in which the annuity was terminated, nor may any earnings received  
13   during the period in which the annuity was terminated be used for purposes of  
14   recalculating the participant's final average earnings.

15          2. All employee required contributions under s. 40.05 (1) (a) that are paid by  
16   a participant who terminates an annuity under sub. (1m), during the period in which  
17   the annuity was terminated, as well as any interest on those contributions, shall be  
18   paid to the participant as a lump sum upon the reestablishment of the terminated  
19   annuity.

✓

20          **SECTION 8.** 40.26 (5) (intro.) of the statutes is amended to read:

21          40.26 (5) (intro.) If a participant applies for an annuity or lump sum payment  
22   during the period in which less than 30 ~~15~~ <sup>180</sup> days have elapsed between the  
23   termination of employment with a participating employer and becoming a  
24   participating employee with any participating employer, all of the following shall  
25   apply:

9112  
SECTION 9. Nonstatutory provisions, Employee Trust Funds

(1) PROMULGATION OF EMERGENCY RULES FOR REENTRY INTO SERVICE. The department of employee trust funds may use the procedure under section 227.24 of the statutes to promulgate rules under section 40.26 (1m) of the statutes, as created by this act. Notwithstanding section 227.24 (1) (c) and (2) of the statutes, emergency rules promulgated under this subsection remain in effect until January 1, 2013, or the date on which permanent rules take effect, whichever is sooner. Notwithstanding section 227.24 (1) (a) and (3) of the statutes, the department is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

9312  
SECTION 10. Initial applicability, Employee Trust Funds

(1) The treatment of section 40.26 (1), (1m), (2) (intro.), (b) and (5) (intro.) of the statutes first applies to participating employees under the Wisconsin Retirement System who terminate covered employment under the Wisconsin Retirement System on the effective date of this subsection.

(END)

Insert 6-12

CS  
Participation in Wisconsin Retirement System.

**2013-2014 DRAFTING INSERT**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0251/linsRC  
RAC:.....

**Insert 6-12:**

(1) PROMULGATION OF EMERGENCY RULES FOR REENTRY INTO SERVICE. Using the procedure under section 227.24 of the statutes, the secretary of employee trust funds may promulgate rules required under section 40.26 (1m) of the statutes, as created by this act, but not to exceed the period authorized under section 227.24 (1) (c) of the statutes, subject to extension under section 227.24 (2) of the statutes. Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the secretary of employee trust funds is not required to provide evidence that promulgating a rule under this subsection as an emergency rule is necessary for the preservation of the public peace, health, safety, or welfare and is not required to provide a finding of emergency for a rule promulgated under this subsection.

## Champagne, Rick

---

**From:** Waterman, Mickie D - DOA <Mickie.Waterman@wisconsin.gov>  
**Sent:** Thursday, December 27, 2012 8:57 AM  
**To:** Champagne, Rick  
**Cc:** Kraus, Jennifer - DOA; Waterman, Mickie D - DOA  
**Subject:** FW: WRS Break in Service and Rehired Annuitants

Hi Rick,

Please alter this draft to reflect just the following:

1. Extend the break in service requirement to **75** days for **new rehires**
2. Require new rehires that are working over two-thirds of full time to rejoin the WRS and earn additional years of service (annuity would stop)

Let me know if you have any questions.

Thanks,  
Mickie

**From:** [Scott.Thornton@Wisconsin.Gov](mailto:Scott.Thornton@Wisconsin.Gov) [<mailto:Scott.Thornton@Wisconsin.Gov>]  
**Sent:** Wednesday, December 12, 2012 10:20 AM  
**To:** Waterman, Mickie D - DOA  
**Cc:** Thornton, Scott - DOA; Kraus, Jennifer - DOA  
**Subject:** WRS Break in Service and Rehired Annuitants

We have received an LRB draft for DOA Tracking Code: BB0156

LRB Draft Number: 0251/1

Drafting Attorney: Richard A. Champagne  
Phone: (608) 266-9930  
E-mail: [rick.champagne@legis.wisconsin.gov](mailto:rick.champagne@legis.wisconsin.gov)

The document can be found in the Stat Language site on SharePoint.

---

**Biennial Budget:** 2013-15

**DOA Tracking Code:** BB0156

**Topic:** Rehired Annuitants

**SBO Team:** GGCF

**SBO Analyst:** Waterman, Mickie D - DOA  
**Phone:** (608) 266-1072  
**E-mail:** [mickie.waterman@wisconsin.gov](mailto:mickie.waterman@wisconsin.gov)

**Agency Acronym:** ETF

**Agency Number:** 515

**Priority:** Medium

**Intent:**

Related to 2011 Assembly Bill 318 on rehired annuitants, please make the two below changes to statute. Neither should affect existing employees.

1. Increase the break in service requirement (currently 30 days minimum) to 6 months.
2. Apply all the same criteria to new hires as would be to rehired annuitants for inclusion in the WRS. This means if a rehire is working over 2/3rds of full-time, he or she would rejoin the WRS and the employer and employee would make contributions to the WRS. The annuity would stop in this case. Current law would apply to employees working less than 2/3 time.

**Attachments:** False

*Please send completed drafts to [statlanguage@wisapps.wi.gov](mailto:statlanguage@wisapps.wi.gov)*



*D Note*  
**State of Wisconsin**  
**2013 - 2014 LEGISLATURE**



LRB-0251/1 *2*  
RAC:kjf:jf

*RMR*

DOA:.....Waterman, BB0156 - WRS Break in Service and Rehired  
Annuitants

**FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION**

*Don't Gen*

1 **AN ACT ...; relating to:** the budget.

*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

Under current law, a Wisconsin Retirement System (WRS) participant who has applied to receive a retirement annuity must wait at least 30 days between terminating covered employment with a WRS employer and returning to covered employment again as a participating employee. If the participant does not wait the 30-day period, and is rehired before the expiration of the 30-day period, the participant is not eligible to receive a WRS retirement annuity. This bill provides that the participant must remain separated from covered employment under the WRS for at least ~~180~~ <sup>75</sup> days in order to be an eligible rehired annuitant.

Currently, when a WRS participant terminates employment and receives an annuity he or she may return to covered employment and either terminate the annuity and again become a WRS participating employee or, instead, continue to receive the annuity, as well as wages from covered employment. If a participant does not terminate the annuity, the participant may not be a participating employee in the WRS and, in the case of state employment, is not eligible for group insurance benefits provided to participating employees, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status and is eligible for all group insurance benefits provided other participating employees,



as well as is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

The bill provides that if a WRS participant who is receiving an annuity, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position in covered employment in which he or she is expected to work at least two-thirds of what is considered full-time employment by the DETF, as determined by rule, the participant's annuity must be terminated and no annuity payment is payable until after the participant again terminates covered employment.

The bill also provides that if a participant receiving a retirement annuity, or a disability annuitant who has attained his or her normal retirement date, enters into a contract to provide employee services with a participating employer after the bill's effective date, and he or she is expected to work at least two-thirds of what is considered full-time employment by DETF, as determined by rule, the participant's retirement annuity must be terminated and no annuity payment is payable until after the participant no longer provides employee services under the contract.

*bill* Because this ~~substitute amendment~~ relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           SECTION 1. 40.26 (1) of the statutes is amended to read: ✓

2           40.26 (1) Except as provided in sub. (1m) and ss. 40.05 (2) (g) 2. and 40.23 (1)  
3 (am), if a participant receiving a retirement annuity, or a disability annuitant who  
4 has attained his or her normal retirement date, receives earnings that are subject  
5 to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified  
6 in s. 40.22 (2) (L), the annuity shall be terminated and no annuity payment shall be  
7 payable after the month in which the participant files with the department a written  
8 election to be included within the provisions of the Wisconsin retirement system as  
9 a participating employee.

10           SECTION 2. 40.26 (1m) of the statutes is created to read: ✓

11           40.26 (1m) ~~W~~ If a participant receiving a retirement annuity, or a disability  
12 annuitant who has attained his or her normal retirement date, is employed in a

1 position in covered employment in which he or she is expected to work at least  
2 two-thirds of what is considered full-time employment by the department, as  
3 determined by rule, the participant's annuity shall be terminated and no annuity  
4 payment shall be payable until after the participant terminates covered  
5 employment.

6 ~~(b) If a participant receiving a retirement annuity, or a disability annuitant~~  
7 ~~who has attained his or her normal retirement date, enters into a contract to provide~~  
8 ~~employee services with a participating employer and he or she is expected to work~~  
9 ~~at least two-thirds of what is considered full-time employment by the department,~~  
10 ~~as determined by rule, the participant's annuity shall be terminated and no annuity~~  
11 ~~payment shall be payable until after the participant no longer provides employee~~  
12 ~~services under the contract.~~

13 **SECTION 3.** 40.26 (2) (intro.) of the statutes is amended to read:

14 40.26 (2) (intro.) Upon termination of an annuity under sub. (1) or (1m), the  
15 retirement account of the participant whose annuity is so terminated shall be  
16 reestablished on the following basis:

17 **SECTION 4.** 40.26 (5) (intro.) of the statutes is amended to read:

18 40.26 (5) (intro.) If a participant applies for an annuity or lump sum payment  
19 during the period in which less than 30 ~~180~~<sup>75</sup> days have elapsed between the  
20 termination of employment with a participating employer and becoming a  
21 participating employee with any participating employer, all of the following shall  
22 apply:

23 **SECTION 9112. Nonstatutory provisions; Employee Trust Funds.**

24 (1) PROMULGATION OF EMERGENCY RULES FOR REENTRY INTO SERVICE. Using the  
25 procedure under section 227.24 of the statutes, the secretary of employee trust funds

1 may promulgate rules required under section 40.26 (1m) of the statutes, as created  
2 by this act, but not to exceed the period authorized under section 227.24 (1) (c) of the  
3 statutes, subject to extension under section 227.24 (2) of the statutes.  
4 Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the secretary  
5 of employee trust funds is not required to provide evidence that promulgating a rule  
6 under this subsection as an emergency rule is necessary for the preservation of the  
7 public peace, health, safety, or welfare and is not required to provide a finding of  
8 emergency for a rule promulgated under this subsection.

9 **SECTION 9312. Initial applicability; Employee Trust Funds.**

10 (1) PARTICIPATION IN WISCONSIN RETIREMENT SYSTEM. The treatment of section  
11 40.26 (1), (1m), (2) (intro.), and (5) (intro.) of the statutes first applies to participating  
12 employees under the Wisconsin Retirement System who terminate covered  
13 employment under the Wisconsin Retirement System on the effective date of this  
14 subsection.

15 (END)

D-Note

**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0251/2dn

RAC:kjf:jf

*Date*

Mickie Waterman:

Per your instructions, this redraft provides that any annuitant who is rehired into a covered position for at least two-thirds time must terminate his or her annuity. By so terminating the annuity, the individual automatically becomes a participating employee under the WRS. The first version of this draft did that as well, but it also required any person who was hired as a contract employee, and not hired into a covered position, to terminate his or her annuity as well if they worked at least two-thirds time providing services for a participating employer. This redraft eliminates this provision, since such a person cannot be a participating employee under the WRS. Is this your intent?

Rick A. Champagne  
Senior Legislative Attorney  
Phone: (608) 266-9930  
E-mail: rick.champagne@legis.wisconsin.gov

**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-0251/2dn  
RAC:kjf:JM

January 2, 2013

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Phone: (608) 266-9930  
E-mail: [rick.champagne@legis.wisconsin.gov](mailto:rick.champagne@legis.wisconsin.gov)

## Champagne, Rick

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**From:** Waterman, Mickie D - DOA <Mickie.Waterman@wisconsin.gov>  
**Sent:** Monday, February 04, 2013 8:31 AM  
**To:** Champagne, Rick  
**Cc:** Kraus, Jennifer - DOA  
**Subject:** RE: 0251/2 Draft Idea

Hi Rick,

Yes, we think that sounds fine.

Thanks,  
Mickie

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**From:** Champagne, Rick [<mailto:Rick.Champagne@legis.wisconsin.gov>]  
**Sent:** Sunday, February 03, 2013 8:10 AM  
**To:** Waterman, Mickie D - DOA  
**Cc:** Kraus, Jennifer - DOA  
**Subject:** 0251/2 Draft Idea

Mickie, an idea on 0251/2, the Rehired Annuitant draft: in proposed s. 40.26 (1m), where we have DETF determine two-thirds "by rule", why don't we instead say "as determined under s. 40.22 (2r)"? DETF has already promulgated a rule that calculates 2/3, so we could piggyback onto that provision. What do you think?

Rick



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0251/2

RAC:kjf:jm

RMR

DOA:.....Waterman, BB0156 - WRS Break in Service and Rehired  
Annuitants

**FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION**

1 AN ACT ...; relating to: the budget.

*Analysis by the Legislative Reference Bureau*

**RETIREMENT AND GROUP INSURANCE**

Under current law, a Wisconsin Retirement System (WRS) participant who has applied to receive a retirement annuity must wait at least 30 days between terminating covered employment with a WRS employer and returning to covered employment again as a participating employee. If the participant does not wait the 30-day period, and is rehired before the expiration of the 30-day period, the participant is not eligible to receive a WRS retirement annuity. This bill provides that the participant must remain separated from covered employment under the WRS for at least 75 days in order to be an eligible rehired annuitant.

Currently, when a WRS participant terminates employment and receives an annuity he or she may return to covered employment and either terminate the annuity and again become a WRS participating employee or, instead, continue to receive the annuity, as well as wages from covered employment. If a participant does not terminate the annuity, the participant may not be a participating employee in the WRS and, in the case of state employment, is not eligible for group insurance benefits provided to participating employees, and may not use any of his or her employment service as a rehired annuitant for any WRS purposes. If the participant terminates the annuity, the participant returns to participating employee status and is eligible for all group insurance benefits provided other participating employees,

as well as is able to accumulate additional years of creditable service under the WRS for the additional period of covered employment.

X  
X  
The bill provides that if a WRS participant who is receiving an annuity, or a disability annuitant who has attained his or her normal retirement date, is appointed to a position in covered employment in which he or she is expected to work at least two-thirds of what is considered full-time employment by ~~the DETF, as determined by rule~~, the participant's annuity must be terminated and no annuity payment is payable until after the participant again terminates covered employment.

Because this bill relates to public employee retirement or pensions, it may be referred to the Joint Survey Committee on Retirement Systems for a report to be printed as an appendix to the bill.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           SECTION 1. 40.26 (1) of the statutes is amended to read:

2           40.26 (1) Except as provided in sub. (1m) and ss. 40.05 (2) (g) 2. and 40.23 (1)  
3 (am), if a participant receiving a retirement annuity, or a disability annuitant who  
4 has attained his or her normal retirement date, receives earnings that are subject  
5 to s. 40.05 (1) or that would be subject to s. 40.05 (1) except for the exclusion specified  
6 in s. 40.22 (2) (L), the annuity shall be terminated and no annuity payment shall be  
7 payable after the month in which the participant files with the department a written  
8 election to be included within the provisions of the Wisconsin retirement system as  
9 a participating employee.

10           SECTION 2. 40.26 (1m) of the statutes is created to read:

11           40.26 (1m) If a participant receiving a retirement annuity, or a disability  
12 annuitant who has attained his or her normal retirement date, is employed in a  
13 position in covered employment in which he or she is expected to work at least  
14 two-thirds of what is considered full-time employment by the department, as  
15 determined ~~by rule~~, the participant's annuity shall be terminated and no annuity

under s. 40.22 (2r)



1 payment shall be payable until after the participant terminates covered  
2 employment.

3 **SECTION 3.** 40.26 (2) (intro.) of the statutes is amended to read:

4 40.26 (2) (intro.) Upon termination of an annuity under sub. (1) or (1m), the  
5 retirement account of the participant whose annuity is so terminated shall be  
6 reestablished on the following basis:

7 **SECTION 4.** 40.26 (5) (intro.) of the statutes is amended to read:

8 40.26 (5) (intro.) If a participant applies for an annuity or lump sum payment  
9 during the period in which less than 30 75 days have elapsed between the  
10 termination of employment with a participating employer and becoming a  
11 participating employee with any participating employer, all of the following shall  
12 apply:

13 **SECTION 9112. Nonstatutory provisions; Employee Trust Funds.**

14 (1) PROMULGATION OF EMERGENCY RULES FOR REENTRY INTO SERVICE. Using the  
15 procedure under section 227.24 of the statutes, the secretary of employee trust funds  
16 may promulgate rules required under section 40.26 (1m) of the statutes, as created  
17 by this act, but not to exceed the period authorized under section 227.24 (1) (c) of the  
18 statutes, subject to extension under section 227.24 (2) of the statutes.  
19 Notwithstanding section 227.24 (1) (a), (2) (b), and (3) of the statutes, the secretary  
20 of employee trust funds is not required to provide evidence that promulgating a rule  
21 under this subsection as an emergency rule is necessary for the preservation of the  
22 public peace, health, safety, or welfare and is not required to provide a finding of  
23 emergency for a rule promulgated under this subsection.

24 **SECTION 9312. Initial applicability; Employee Trust Funds.**

(1) PARTICIPATION IN WISCONSIN RETIREMENT SYSTEM. The treatment of section 40.26 (1), (1m), (2) (intro.), and (5) (intro.) of the statutes first applies to participating employees under the Wisconsin Retirement System who terminate covered employment under the Wisconsin Retirement System on the effective date of this subsection.

**(END)**



State of Wisconsin  
2013 - 2014 LEGISLATURE



LRB-0251/3

RAC:kjf:jm

DOA:.....Waterman, BB0156 - WRS Break in Service and Rehired  
Annuitants

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18 subsection.

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